

payments due to eligibility and recipient liability errors as detected through the MEQC program.

**§ 431.802 Basis.**

This subpart implements the following sections of the Act, which establish requirements for State plans and for payment of Federal financial participation (FFP) to States:

1902(a)(4) Administrative methods for proper and efficient operation of the State plan.

1903(u) Limitation of FFP for erroneous medical assistance expenditures.

**§ 431.804 Definitions.**

As used in this subpart—

*Active case* means an individual or family determined to be currently authorized as eligible for Medicaid by the agency.

*Administrative period* means the period of time recognized by the MEQC program for State agencies to reflect changes in case circumstances, i.e., a change in a common program area, during which no case error based on the circumstance change would be cited. This period consists of the review month and the month prior to the review month.

*Claims processing error* means FFP has been claimed for a Medicaid payment that was made—

(1) For a service not authorized under the State plan;

(2) To a provider not certified for participation in the Medicaid program;

(3) For a service already paid for by Medicaid; or

(4) In an amount above the allowable reimbursement level for that service.

*Eligibility error* means that Medicaid coverage has been authorized or payment has been made for a recipient or family under review who—

(1) Was ineligible when authorized or when he received services; or

(2) Was eligible for Medicaid but was ineligible for certain services he received; or

(3) Had not met recipient liability requirements when authorized eligible for Medicaid; that is, he had not incurred medical expenses equal to the amount of his excess income over the State's financial eligibility level or he had incurred medical expenses that exceeded the amount of excess income

over the State's financial eligibility level, or was making an incorrect amount of payment toward the cost of services.

*Negative case action* means an action that was taken to deny or otherwise dispose of a Medicaid application without a determination of eligibility (for instance, because the application was withdrawn or abandoned) or an action to deny, suspend, or terminate an individual or family.

*State agency* means either the State Medicaid agency or a State agency that is responsible for determining eligibility for Medicaid.

**§ 431.806 State plan requirements.**

(a) *MEQC program.* A State plan must provide for operating a Medicaid eligibility quality control program that meets the requirements of §§ 431.810 through 431.822 of this subpart.

(b) *Claims processing assessment system.* Except in a State that has an approved Medicaid Management Information System (MMIS) under subpart C of part 433 of this subchapter, a State plan must provide for operating a Medicaid quality control claims processing assessment system that meets the requirements of §§ 431.830 through 431.836 of this subpart.

**§ 431.808 Protection of recipient rights.**

Any individual performing activities under the MEQC program or the claims processing assessment system specified in this subpart must do so in a manner that is consistent with the provisions of §§ 435.902 and 436.901 of this subchapter concerning the rights of recipients.

**MEDICAID ELIGIBILITY QUALITY CONTROL (MEQC) PROGRAM**

SOURCE: Sections 431.810 through 431.822 appear at 55 FR 22167, May 31, 1990, unless otherwise noted.

**§ 431.810 Basic elements of the Medicaid eligibility quality control (MEQC) program.**

(a) *General requirements.* The agency must operate the MEQC program in accordance with this section and §§ 431.812 through 431.822 and other instructions established by HCFA.